

SENATE BILL 3655  
By Black

AN ACT to amend Tennessee Code Annotated, Title 56,  
Chapter 7, relative to health insurance coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 26, is amended by adding the following language as a new, appropriately designated section:

§ 56-7-2607.

(a) As used in this section, unless the context otherwise requires, “prescription infant formula” means any hypoallergenic infant feeding formula, whether amino-acid based or made with another chemical formulation, that is intended to provide nourishment for infants with severe food allergies and that is available in the United States only by prescription.

(b)

(1) Notwithstanding any other provision of law to the contrary, any individual, franchise, blanket, or group health insurance policy, medical service plan contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society, health maintenance organization, preferred provider organization, or managed care organization which provides hospital, surgical, or medical expense insurance that provides coverage for prescription pharmaceuticals shall offer and make available coverage under any such policy, contract, or plan for prescription infant formula for the treatment of severe food allergies in infants.

(2) The provisions of this section are applicable to all health benefit policies, programs, or contracts which are offered by commercial insurance

companies, nonprofit insurance companies, health maintenance organizations, preferred provider organizations, and managed care organizations, and which are entered into, delivered, issued for delivery, amended, or renewed after January 1, 2007.

(3) Reimbursement for prescription infant formula shall be determined according to the same formula by which charges are developed for other prescription pharmaceuticals and products. Such coverage shall have durational limits, dollar limits, deductibles, copayments, and coinsurance factors that are no less favorable than for other types of prescription pharmaceuticals generally, except that a copayment for prescription infant formula that is comparable to the cost of purchasing an equivalent amount of standard over-the-counter infant formula may be required. The cost attributed to standard over-the-counter infant formula, in order to calculate such a copayment, shall be no more than the average cost of standard over-the-counter infant formula in this state as determined by the commissioner of commerce and insurance by no later than October 1, 2006.

(4) Nothing in this section shall be construed to prohibit any insurer from providing medical benefits greater than or more favorable to the insured than the benefits established pursuant to this section.

(5) The provisions of this section shall not apply to short term travel policies, short term nonrenewable policies of not more than six (6) months' duration, accident only policies, limited or specific disease policies, contracts designed for issuance to persons eligible for coverage under Title XVIII of the Social Security Act, known as Medicare, or any other similar coverage under state or governmental plans, including the TennCare program.

SECTION 2. For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2007, the public welfare requiring it.